

## MEMORANDUM



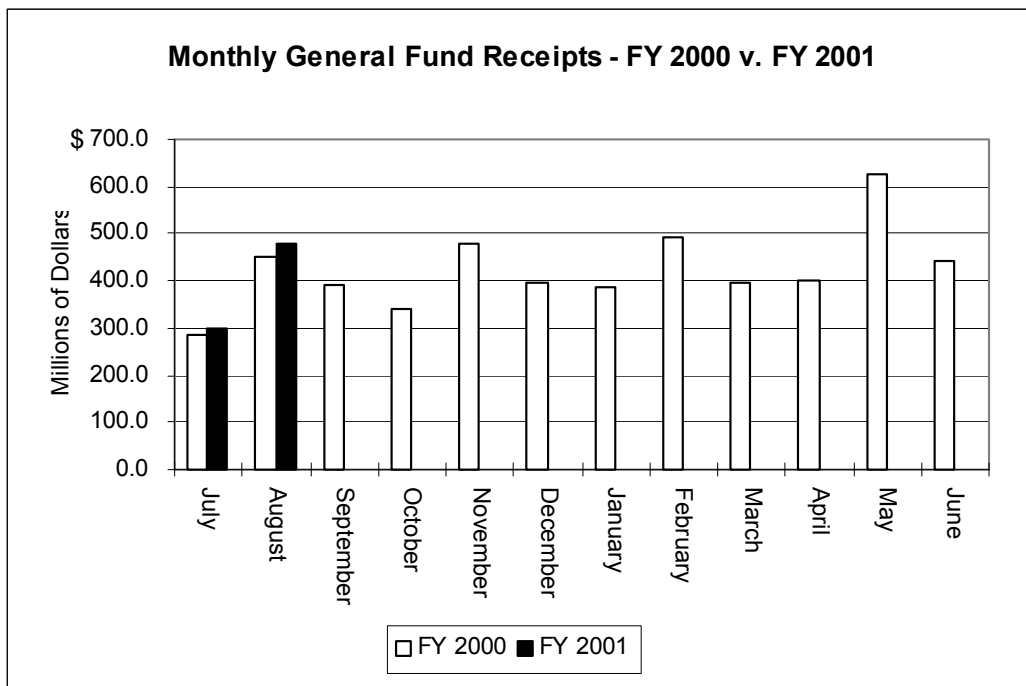
TO: Members of the Iowa Senate and  
Members of the Iowa House of Representatives

FROM: Dennis C. Prouty

DATE: September 1, 2000

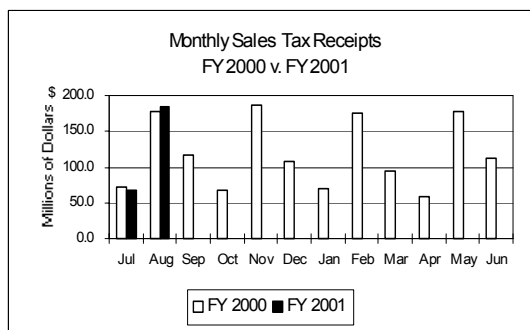
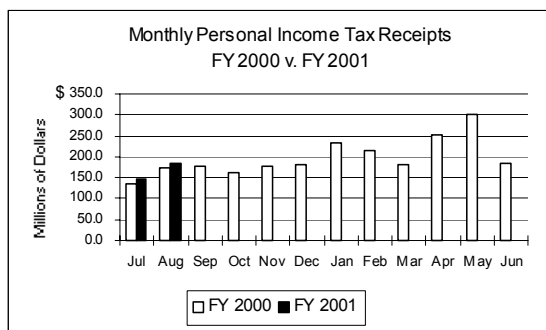
### General Fund Receipts Through August 31, 2000

The attached spreadsheet represents total FY 2001 estimated General Fund receipts, with comparable figures for actual FY 2000. These can be compared to the latest FY 2001 estimate (\$5.290 billion) set by the Revenue Estimating Conference (REC) on August 18, 2000. The estimate represents an increase of \$192.7 million (3.8%) compared to actual FY 2000.



## FY 2001 Compared to FY 2000

Year-to-date FY 2001 revenue has increased by \$32.4 million (4.3%) compared to FY 2000. This is above the REC estimate of 3.8% for FY 2001.



**Gross personal income tax** revenues received in August totaled \$183.9 million, an increase of \$9.3 million (5.3%) compared to August 1999.

The REC FY 2001 income tax estimate of \$2.516 billion represents a projected increase of 5.9% compared to actual FY 2000.

Withholding receipts increased in August by 4.0% compared to August 1999 while estimated payments increased 2.3%.

The Chart above compares monthly personal income tax receipts for FY 2001 with FY 2000.

**Sales tax** receipts in August totaled \$185.0 million, an increase of \$7.0 million (3.9%) compared to August 1999. The REC estimate for FY 2001 sales tax receipts is \$1.489 billion, which represents an increase of 5.1% compared to actual FY 2000.

The Chart above compares monthly sales tax receipts for FY 2001 with FY 2000.

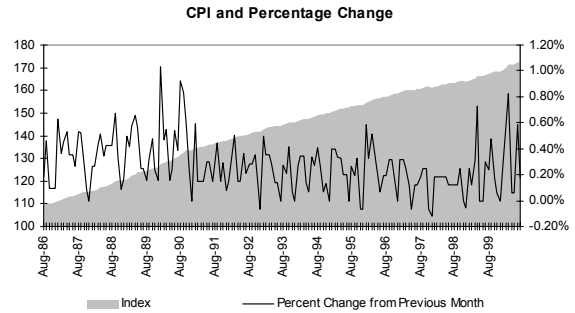
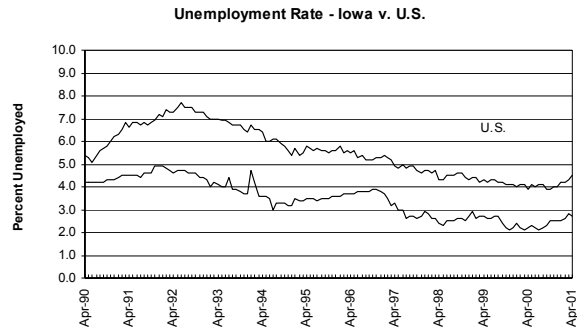
**Corporate income tax** receipts decreased in August by \$0.1 million (0.8%) compared to August 1999.

The REC projected FY 2001 corporate income tax receipts at \$313.2 million, a decrease of 4.0% compared to actual FY 2000.

## Status of the Economy

The seasonally adjusted percent unemployed for the State in July fell from June's rate of 2.2% to 2.1%. The unemployment rate a year ago was 2.6%. Iowa's total July employment registered 1,575,400, up from June's level of 1,572,900. The number of unemployed persons in Iowa stood at 33,100 in July, which is down from June's level of 34,200. The U.S. unemployment rate for July remained at 4.0%.

Consumer prices in July rose by 0.2% from June's level. The Consumer Price Index (CPI-U) through July 2000 was 172.6 (1982-84=100), which is 3.5% higher than one year ago. The following series illustrate U.S. and Iowa unemployment comparisons and the CPI through July 2000.



Information related to State General Fund receipts is available electronically through the Fiscal Bureau's Electronic Publishing of Information System (EPI). If you have questions regarding this service, you may contact Glen Dickinson (515-281-4616).

GENERAL FUND RECEIPTS - FY 2001 vs. FY 2000 July 1 through August 31, in millions of dollars Dollars may not add due to rounding								ESTIMATED GENERAL FUND RECEIPTS in millions of dollars FY 00 Actual Compared to FY 01 REC Estimate				
	FY 2000		FY 2001		Year to Date		August		Actual	Estimate		
	\$		\$		% CHANGE	% CHANGE	% CHANGE		FY 2000	FY 2001	% CHANGE	
Personal Income Tax	309.8		330.8		6.8%	5.3%		\$	2,375.9	2,515.7	5.9%	
Sales Tax	249.4		251.8		1.0%	3.9%		1,416.6	1,489.1		5.1%	
Use Tax	51.5		49.2		-4.5%	5.5%		246.8	257.9		4.5%	
Corporate Income Tax	25.9		27.6		6.6%	-0.8%		326.1	313.2		-4.0%	
Inheritance Tax	15.3		16.9		10.5%	39.1%		114.8	109.0		-5.1%	
Insurance Premium Tax	0.1		0.2		100.0%	100.0%		120.2	122.0		1.5%	
Cigarette Tax	16.6		15.9		-4.2%	-16.8%		91.1	90.5		-0.7%	
Tobacco Tax	1.2		1.2		0.0%	40.0%		6.6	7.2		9.1%	
Beer Tax	2.6		2.6		0.0%	-7.7%		13.6	13.8		1.5%	
Franchise Tax	2.2		2.4		9.1%	0.0%		31.8	30.7		-3.5%	
Miscellaneous Tax	0.9		4.8		433.3%	n/ m		1.3	1.1		-15.4%	
Total Special Taxes	\$ 675.5		\$ 703.4		4.1%	5.7%		\$ 4,744.8	\$ 4,950.2		4.3%	
Institutional Payments	10.1		9.0		-10.9%	-33.3%		49.7	48.5		-2.4%	
Liquor Transfers:												
Profits	3.5		4.0		14.3%	-42.9%		36.0	36.0		0.0%	
7% Gross Revenue	1.5		1.5		0.0%	0.0%		9.0	9.0		0.0%	
Interest	1.4		1.5		7.1%	75.0%		26.0	20.0		-23.1%	
Fees	14.1		14.0		-0.7%	27.8%		66.3	66.2		-0.2%	
Judicial Revenue	6.9		6.7		-2.9%	14.3%		52.3	56.0		7.1%	
Miscellaneous Receipts	11.1		15.4		38.7%	45.1%		52.7	43.6		-17.3%	
Racing and Gaming Receipts	22.3		23.3		4.5%	9.4%		60.0	60.0		0.0%	
TOTAL RECEIPTS	746.4		778.8		4.3%	5.8%		\$ 5,096.8	\$ 5,289.5		3.8%	